
FINAL REPORT

OF THE

BOARD OF REVENUE COMMISSIONERS,

PREPARED BY A

COMMITTEE OF THE SAID BOARD,

CONSISTING OF

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REPORT.

To his Excellency, FRANCIS R. SHUNK,
Governor of Pennsylvania:

The Board of Revenue Commissioners make to you, the report required by law.

The Commissioners convened under much doubt, entertained by themselves and the public, of their ability to accomplish any good. They had no choice, but to endeavor to discharge the duty imposed on them by law with fidelity and impartiality. They believe that they have so discharged that duty, though the movement of the Legislature towards a repeal of the board, had interrupted the preparations of its members, and caused the commissioners of nearly all the counties, to omit the returns required to be made by them to this board. The disadvantage resulting from this cause has been seriously felt, and it has, in a degree, impaired the efficient action of the board, and prolonged its labors.

It has been a source of great gratification to the members of the board, and will not be less so to the public, to find the valuations returned for their revision, largely exceeding those reported to the former board, making in the aggregate, an increase in the whole State, of \$36,462,983. After correction of errors, made by counties against themselves, the additions made to the returned valuations amounted, in the aggregate, to the sum of \$7,014,274; and the entire increase, after the action of this board, over that fixed by the Revenue Commissioners in 1845, is \$43,477,257.

This pleasing result, exhibited by the returns, may be attributed, to some extent, to the more prosperous condition of the country, when the latter valuations were made, compared with that at the preceding triennial assessment. It has, however, appeared by direct and repeated proofs received by us, that much of this increase has been owing to the salutary effect produced by the action of our predecessors. The recent valuations having been made in the anticipation of their being reviewed by the central board of revision, have been kept up to a higher standard, and many more townships raised, and fewer lowered by the county commissioners, than had been done before the meeting of the former Revenue Commissioners. It is in this respect, that the friends of the State board of revision had expected to perceive its most beneficial effect, by thus inducing a more faithful observance of the law in the respective counties, in a manner more acceptable to the people, and by their more immediate participation. When the business of valuation is thus correctly adjusted, it leaves less for the action of this board, and commands the more ready acquiescence of those who are to pay the taxes. Yet the commissioners have still found occasion to correct a number of counties which had, in a measure, relapsed into a downward tendency, either by a general reduction of the return of their assessors, or a failure, sufficiently, to discharge their duty in keeping them up to the standard prescribed by law. This work of revision we have intended to perform in the spirit of moderation, and for the proof of its equal and temperate justice, we confidently refer to the testimony adduced, and the record of our proceedings.

The Revenue Board has desired, carefully, to abstain from intermeddling with matters beyond the prescribed sphere of its duty. But being called into existence in aid of the Executive department of the government, and required to report their proceedings for the information of the Legislature and the people, its members have apprehended that they would be derelict in duty, were they to omit to expose the defects of a system of which they are a part. Many intelligent citizens, at the call of the board, have freely afforded their experience and their suggestions for the public good, and it would be a public loss to permit their views to pass wholly into oblivion.

In any suggestions the Revenue Commissioners may make, indicating Legislative remedy of the defects made apparent to them, they anxiously desire it to be understood, that they invite no reform that should alter the basis of the revenue of the State, or that

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should disturb the certainty of the income now flowing into the treasury, sufficient to meet the annual interest, and gradually to reduce the principal of the debt. Their purpose will be to make more certain the collection of the same rate of taxes, levied on the same objects, or such others as the Legislature may enumerate, having in view a more equal bearing upon the people.

The principle of taxing nearly all property on its actual value, rather than on income, which is at the base of our system, is believed to be the best that can be adopted. Into value, its productiveness and all other considerations resolve themselves, and give the measure in which the protection of government is shared, for which the tax is the price. If not presently producing income the price is lowered, or the production comes after the lapse of time, in the enhanced price, as on the sale of unproductive wild lands, or in the sale or letting, on ground rent, of unproductive town lots. So too, if the public and other works, by their unequal influence, cause the prices to fluctuate, in some portions to advance, and in other parts of the State to recede, as is testified to be the fact, the re-valuations for taxation, if faithfully done, promptly restore the disturbed equilibrium, and the taxes are adjusted accordingly.

The foundation of the organization for the assessment and collection of taxes, rests on the elective franchise of the people. This may be and is, as at present regulated, the source of inefficiency, yet properly arranged, will be the true source of efficiency and success, surpassing the ability of absolute power. To attain this success, it is only necessary to introduce a few of the checks which operate so happily in our republican institutions.

A source of inefficiency, to which the testimony adduced before the Revenue Commissioners pointed, is of the following character:—The assessor is elected by the people of his own township or ward; towards his neighbors and friends who have conferred this favor, he is naturally inclined to be lenient in the discharge of his duty. If by mistake he has overvalued their property, they have their appeal to the county commissioners, who have, in like manner, been placed in power by popular preference, and probably are the expectants of it in future, and therefore, frequently yield to personal importunity and influence, in some instances in palpable violation of known law. Upon the action of these elected functionaries, there is no adequate control provided by law. Over their action on individual cases, the State Revenue Commissioners can exert no revisory power, their authority having relation only to the sufficiency of the aggregate valuation of the county.

Then as respects the action of the county commissioners as a "board of revision," to revise, correct and equalize the different townships of the county, the same inherent infirmity exists. As the assessor is inclined to favor the citizens of his own township over others, so have the county commissioners the same bias in favor of their county, as compared with others; and a tendency to a downward valuation exists in every stage of the proceeding, until the subject reaches the State board of revision. It is apparent that such must be an imperfect basis, unaided by other means, for certain and equal taxation, and that the action of the highest board of revision can but imperfectly rectify errors so deeply seated in the system. It may and has mitigated evils, but cannot afford a complete remedy for radical imperfections. Under the present system, the work imperfectly done, or the property under-valued, incites to no exception, and passes wholly uncontroverted and uncorrected. It is only the rare cases of over-valuation that provokes to exception and appeal; and such cases are heard with all the bias before adverted to. The result necessarily is, that that which is deficiently performed remains uncorrected, and that that which is sufficiently done is likely to be assimilated with that which is deficiently done, whereby all may be reduced below the standard contemplated by the law. Add to these the reductions in detail, made on hearing the appeals of individuals, and the general reductions in some instances made of entire townships, beyond the amount of those increased, and even of the county generally, as they have occurred according to the proof before us, and the strong tendency to reduction is manifestly visible.

It appears in evidence before the board, that in many of the counties the duty of revision by the county commissioners, to equalize the valuations of the townships, has been wholly omitted, and of those that did revise, but few traversed the county, as was done during the short period the associate judges were united with them in that

duty. To insure a proper discharge of this important service, there appears to be a necessity that it should be enjoined by instructions, to be authorized from the Auditor General's office, prescribing the manner of its execution, to produce uniformity of action and result. By such aid many of the irregularities and errors that have come to the notice of this board, would be avoided, and the entire work be better performed.

Besides the natural bias before adverted to, tending to depress the valuations, the task of fixing the value of property according to the present legal standard, is not without its difficulty to the best informed minds; and the uncertainty of it affords the most favorable opportunity for the operation of the bias natural to all men, to favor themselves. It is the *cash price* of separate pieces of property, sold, after full advertisement, at *public sale*, and yet it is not to be a sacrificed sale. Now, such sales occur in no county of the State with sufficient frequency to afford the test of what the standard is, and all such sales are in fact sacrificed sales, as compared with the prices which owners obtain by private negotiation, prudently awaiting the wants of purchasers, and conceding to them accommodating terms of credit. In newly settled counties, where money is scarce, the degree of the sacrifice at such sales must be much greater than in counties longer settled, where capital has accumulated, while in a commercial community, where the reactions of trade and the financial revulsions are violent, the prices suffer great vibration, and at the periods of monetary scarcity, such sales are made with equal sacrifice. Yet this cash standard at a public sale, is that which is to be ascertained or guessed at by every one of the assessors of every of the wards and townships of all the sixty counties of the State, approaching in number two thousand persons, possessing every shade of intelligence, with every degree of scrupulosity, with a constantly operative bias to induce a relaxation of that tenacity of purpose which duty demands for the faithful execution of the law; and this, too, without any required concert of action or comparison of views, to produce a harmonious result. The consequences are inevitable inequality and injustice, imperfectly as yet corrected by the supervision of the county commissioners, and in a detail as to individual property and townships, quite beyond the reach of this board to remedy or control. The sanction of any mode of valuation that is less than the fair and full value of property, has no worthier recommendation than the supposed delusion upon the mind of each tax payer, under which he more readily acquiesces and pays, because he finds his property assessed lower than he knows that it is worth, and thereby makes a good escape, and gets an advantage over his fellow-citizens. Such an assumption is neither founded in good morality, nor gives due credit to the intelligence of the people—as if they could not perceive that if all were reduced alike, there would be no individual saving, and that the beginning of a departure from a just rule is the parent of every degree of irregularity and infinite evasion and injustice. Yet, if such fuller standard of value should be assumed, it would be necessary to make a deduction from that higher price which is obtained upon a long credit, without charge of interest for the time given, or other like cause.

If the valuations of visible property are to a degree difficult and uncertain, demanding the presence of a more effective equalizing power within the county, much more will it be required to draw forth the more hidden objects of taxation. This is an unwelcome duty by assessors towards their electors; and, left to the operations of the consciences of individuals, without oath, without a power in the assessor to investigate by testimony, its results must be nearly as various as the shades of human character. Accordingly, the testimony has been poured in upon us from all parts of the commonwealth, with one accord, as to the almost universal deficiency in the returns of moneys **at interest**, stock investments, &c. This deficiency it is wholly beyond the power of the board to supply, both from the uncertainty of the amount of it, and the injustice that would ensue the attempt to apply the remedy. If the effort were made, it would result in an addition beyond the rate of taxation fixed by law, being placed on property honestly returned and correctly valued, while the actual delinquents would be unreached, and go free of the tax. Thus, too, would be returned upon the real estate, a tax which was intended for its relief, by extending taxation to other objects.

The evil of the insufficient return of moneys **at interest**, stocks, &c., does not end with the direct loss to the revenue, but from the infinitely various degrees of the delinquency among individuals, and between the different counties, it is the source of the

greatest inequality, and of consequent dissatisfaction to the public. To the extent that some are not taxed, or insufficiently taxed, others must be over-taxed to raise the required amount for the treasury. In further aggravation of this source of injustice, the law has been differently construed in different counties, even under legal advice, while in all, each individual, to some extent, construes it for himself, and to the degree of its uncertainty does it give play to that elasticity of conscience that requires but a pretext to decide in favor of self-interest. To a considerable extent has the practice prevailed of the holder of securities for moneys at interest, first deducting his own indebtedness before making his return. Again, investments in foreign corporations, or debts secured by mortgages, &c., in other states, are not generally returned, the holders justifying themselves by that sort of legal construction that proceeds from the supposed existence of a natural right paramount, an act of Assembly to tax investments that owe their protection exclusively to the laws of other sovereignties. In this reasoning they are quite willing to forget, that for the protection enjoyed for person and income, there is also involved the correlative obligation to submit to taxation in respect to both.

In respect to occupations, the evidence has been flagrant that no uniformity of standard has been observed. A difference of practice has existed, both as to the objects valued, and as to the standard of valuation. As instances, the small county of Clinton returned for this item, one hundred and forty-two thousand and ninety-five dollars; Cambria, sixty-seven thousand six hundred and thirty dollars; Union, seventy-six thousand four hundred and seventy-two dollars; Lebanon, one hundred and ninety thousand eight hundred and seventy-nine dollars; Delaware, fifty thousand nine hundred and forty dollars; while the large county of Lancaster returns but thirty-eight thousand eight hundred and forty-five dollars; Berks, eleven thousand and seventy dollars, and Washington, twelve thousand seven hundred dollars. It is true the latter are agricultural counties, and farmers are exempt, but that would not alone account for the disparity.

Some have included and valued the income from real and personal estate—some have raised the occupation to the limit of two hundred dollars, by including boarding and lodging of hired men, while others have not, and some have included trades, &c., under two hundred dollars, while others have not. A few instructions from the Auditor General, with a prescribed form to be filled and returned, would rectify these irregularities, should the law define more clearly its purpose and standard, and the county officers be required in this and in other matters to do their duty faithfully by stringent legal provisions. Next to such provisions, the greatest want felt is a clear and proper arrangement of the entire law upon the subject of taxation in one statute, that all the officers and people concerned in its execution could easily understand and observe.

The deficiency and irregularity referred to in respect to occupations, exist in respect to watches, carriages, salaries of office, &c., and it is equally beyond the power of this board to apply the corrective in a manner to reach the delinquent parties. The delinquents are unknown, the extent of the deficiency cannot be ascertained, and to add it would be to heap it on objects fully taxed. These subjects can only be reached by county officers, placed under a supervision that will secure the performance of their duty.

Another source of inequality arises from a difference of construction of the law prevailing in a number of counties. Several of which impose upon moneys at interest all the taxes laid in the county, as road, poor, and school, besides the proper county tax. Such an accumulation of taxes upon capital in this form drives it into concealment, or into other States, or into the United States loans. This license where exercised to tax by the subordinate county authorities, according to the testimony received, has to a great extent repelled capital beyond the reach of the State assessment. Indeed, the county tax proper when levied to the extent of five mills, as it generally has been in Philadelphia county, while the State tax has been but three mills, with the facility there existing of investing in United States loans, and in New Jersey, has alone been the sufficient cause of driving many millions beyond the taxing power of the State, and should induce a legislative consideration, whether the counties should be permitted to exceed the rate of the State tax on moneys and stocks, or to tax them at all. It was a concession to the counties in supposed relief of the burthen on real

estate, but when the re-action upon the price of the latter is considered, by capitalists withdrawing their mortgage investments, it may be safely concluded that the point has been past at which the owners of real estate derive a benefit from it, while the State loses again in the reduced valuations of real property.

Besides the impolicy of expelling capital from among us, there is in the matter of taxing moneys secured by mortgage or judgment on real estate, much inequality and injustice apparent on slight reflection. It amounts to a double taxation of the same capital, and bears especially hard upon the smaller capitalist. The man who buys a house or plantation and is able to pay for it and hold it clear of incumbrance, pays a single tax on the cash value of the property. Another less able, is obliged to borrow to become the freeholder of his honestead, and give a mortgage or judgment for a part of the purchase money. He pays the full tax on the entire value of his freehold, and he or the creditor pays also a tax on that part of the capital which is borrowed; so that such portion of the capital entering into the purchase is twice taxed. Considerable evidence has been received shewing that to enable the borrower to get the money at all, he is obliged to pay the tax on it, thus directly heaping on the poorer man a double tax for the price of his home. This is not in harmony with the humane character of Pennsylvania legislation; it is not in accordance with the principle of justice which should characterise her law; nor with her interest and true welfare, which can never be so well advanced as by a rigid adherence to that rule of right on which must be built her strength and prosperity.

The unequal operation of the law in this respect is made apparent by reference to the case of a ground rent reserved on the grant of property in fee. If it be, as formerly, without imposing by the terms of the deed the tax on the ground rent on the grantee of the lot, he is only taxed for what it is worth after deducting the value of the ground rent, and the owner of the latter pays the tax on it. If the grantee has covenanted to pay the taxes on both the lot and the ground rent, according to the modern practice, the owner of the latter pays no tax, and the grantee pays the tax on both; but in either instance the whole tax is only charged once on the entire value of the property, or the aggregate of the ground rent and lot, as if both belonged to one owner. There can be no principle in a variation of the tax, because the same taxable value is separated into different interests or estates among its owners, by different forms of conveyancing, whether the interest beyond that of the tenant in fee is made to assume the shape of a mortgage lien, or the separate freehold estate of a ground rent landlord.

This matter of taxing loans secured by real estate in expectation of relieving the latter, has proved fallacious. The burthen of it in the nature of things, ultimately falls upon the freehold interest. Much of the proof received shows that it is a matter of express stipulation for the borrower to pay the tax on the money loaned. Where it is not so bargained, it operates against his getting the money at all, and for want of the facility there are fewer purchasers, and less competition to raise the price of real property; and not unfrequently the enforced collection of securities, in order to transfer the moneys into untaxed investments, compels a sacrifice of the mortgaged premises, and both break down the price, and break the debtor too. In this process the State is doubly a loser, both in the withdrawal of the capital, and in the reduced value of the land which cannot escape taxation.

If, however, taxes are to be continued on real estate securities, they will be more successfully collected in the counties where recorded, by making it the duty of a proper officer to search the records, and to authorize collection from the debtor, who may deduct it from his interest, unless it be otherwise agreed between the parties. And if the county is also to be permitted to assess a tax on such securities, it should be that county in whose court the recovery would be had, and at whose expense it would be made. This would also be a successful means of reaching the investments owned out of the State, which owing their protection to our laws, are with equal justice as much liable to taxation as those of resident creditors.

So if stocks are to be permitted to be taxed for county purposes, the county should collect them as the State does directly from the corporation, to be by it deducted from the dividends, and then no suppression or omission can evade the tax.

Should it be apprehended that a loss to the revenue would result from an exemption

of investments secured on real estate, it should be recollected that more than a compensation may be found in the valuation of real estate at its actual and increased value; of all occupations at a rate at least approaching their actual income; in a fuller return of personal property, carriages, watches and salaries, and in a better mode of reaching the floating capital of the business community, than that provided by the act of 1846.

There has not as yet been a beginning to reach the objects therein first enumerated, while the penalty for the failure to return them has been so wholly inoperative, that the board has heard of its infliction but in a single instance in the whole Commonwealth, and in that the party made a large saving by the operation.

The levy of a tax by the State upon her own loans in a degree impairing confidence in the faith of the Commonwealth, cannot longer be justified in principle, than it shall continue to be willingly yielded as it originated in a concession by the bond-holders, to aid the State through a period of financial difficulty, in resuming and continuing the payment of her interest. When the necessity shall pass away in which such tax was imposed, it should at the earliest moment cease to be exacted. This policy, as well as the justice of this course, has become the more apparent from the proofs multiplied before us of the withdrawal of immense capital from the State, for the want of any domestic object of investment, exempt from onerous taxation. The loans of the State, freed of this imposition, would retain, or invite the return of millions of money that have flown, or will take their flight, from among us. With the repeal of this tax and the absorption of the relief notes, will disappear the last cloud that casts a shadow on the fair fame of Pennsylvania.

In connection with this subject, it may be useful to suggest, that purchasers of the State loan should have an option of taking their certificates with *coupons*, or small interest certificates attached, to be cut off and used as they become due, that the people in all parts of the State may hold and use them at any place in the payment of their taxes to the Commonwealth. This convenience it is believed would induce the purchase of the loan extensively by our own citizens, with the benefit of its reduced price, and create a more direct pecuniary interest among the people to sustain the public credit. It would also enable many persons to carry into effect, in the most practicable way, a favorite idea of paying their respective portions of the State debt at once, and of purchasing an exemption therefrom on the easy condition of about three fourths the sum of the actual value to the purchaser of such loan.

The consequences made manifest by abundant evidence from the most intelligent persons in all parts of the Commonwealth, resulting from the inequality of taxation and its excessive imposition upon capital easy of concealment, or of transmission to other States, are deeply to be deplored. The shifts of evasion are de moralizing to our people, and the honestly disposed are tempted to become passive under the operation of defective laws, in the assurance that they will escape a partial injustice. Citizens who some years since exhibited to the world the gratifying spectacle of petitioning the Legislature to lay taxes on their property to sustain the State credit, and who volunteered to list their investments without reservation for the *levy* of her tax, have turned away disheartened from the execution of laws that they deemed unjust, in the hope that the aggravation of evils would at length work their reform. The spirit of patriotism sunk in discouragement under the sense of injustice and wrong. The tax payer has too frequently yielded to the seductive reasoning that it is his folly to expose himself to an unequal taxation, by a scrupulous return of his effects, when he knows that his neighbors do not so, nor are required to do so, and come off the winners by their refusal or evasion. Preclude the possibility of gain by refusal, neglect or evasion, by enacting a law that can and shall be faithfully and equally executed, and the taxes will again be freely and willingly paid by the great majority of the people.

To arrive at such a result, the law should not attempt what in the nature of things it is impracticable to accomplish. Of this character, according to evidence abundantly furnished, is a portion of the law under consideration. If the collection of the aggregate taxes now laid upon notes, contracts and capital in trade could be exacted, it would expel much of it from the State, and prove seriously detrimental to the interest of the Commonwealth. It must be recollected, that it is but to cross a river or a geographical line to escape the burthen of excessive taxation, and that such removal, while within our common Union, incurs not the pain or penalty of expatriation. In passing

from our borders, the citizen is still beneath the panoply of our national Constitution, and surrounded by the horizon of the same country. Numerous instances of removal, impelled by the excess and inequality of taxation, have been made known to the board. In despair of improvement and reform in this respect, farms have been sold, business given up, and homes abandoned by people who seek the shelter of better laws; while on the margin of another state spacious and lofty factories have been reared in full view of her metropolis, by Pennsylvania capital, to become another Lowell, contributing to the taxable resources of New Jersey.

Capital in trade is too fugitive in its nature to be reached by the appliances fitted for fixed property. Land may be taxed to the unwise extent of discouraging its improvement, and until the disheartened owner be driven from it, yet it cannot escape the hand of the assessor; but trade, ever flowing, readily shifts its channels to avoid obstruction, and its capital, in the alarm of insecurity or undue imposition, seeks the covert of concealment, or takes its flight to other cities. An alternative for the existing law, so far as relates to objects of this fleeting character, has been suggested by intelligent witnesses or correspondents, some of them men of high distinction. But this board makes no recommendation: the subject is understood by the Legislature; and to the wisdom of that body it may be safely confided. If no better law can be devised, we would only respectfully ask the repeal of existing provisions that serve but to demoralize the people, and bring the authority of the Commonwealth into contempt.

Against all the causes of irregularity and injustice to which we have referred, the only corrective now provided by law, consists in the State Board of Revenue Commissioners. That its action cannot reach individual delinquencies, or correct, in the aggregate, those which do not proceed from the unequal valuations of real estate, has been made apparent. Nor can it equalize the inequalities existing between the townships of the respective counties, for want of which, the aggregate of the whole county undoubtedly suffers a depression. The State Commissioners are only commissioned to act upon the aggregate valuations of the counties, and discharging this duty are restricted to a species of evidence rejected by every court of justice, namely, that of the *most interested* character—the testimony of the people of the county to be adjudged. This is probably an indispensable course, considering the jealousy natural to the people on the subject of taxation, and the conflicting statements that would come from citizens of bordering counties, leading to protracted controversy. To descend in the scale to such detail of investigation, properly belonging to the counties themselves, would prolong the session of the board unduly, and make the discharge of its duties onerous to the members, and intolerable to the people. This board should be but the apex of a well constructed pyramid. The less it should be required to do positively, and the more preventively, by the better assessments induced in the counties, with the less apprehension of danger will its action be regarded, and the more willingly will the taxes be paid when adjusted by the joint co-operation of a local board of revision.

The remedies to which the foregoing review of the defects of the revenue system of Pennsylvania point, it is proper here only to indicate in very general terms. The details should be committed to the close investigation and the study of mouths, by those most experienced and familiar with the subject, and willing to assume the task. The testimony received by the former Revenue Board, and information since obtained, have evinced the action of the county board of revision, when composed in part by the associate judges, to have had a salutary effect, both in equalizing the townships and raising the valuation of the counties. The restoration of an equivalent board, in which persons of the best qualifications, under judicial appointment, shall co-operate with the county commissioners, seems to be called for, to equalize between the townships, and to review and revise the returns of the assessors, and the action of the county commissioners upon such returns, to ensure the faithful discharge of their duty by these elective officers. With the proper returns by the assessors, showing in each case the manner in which the taxable property has been ascertained, their work may be brought into review for the action of the county board of revision, in a way to enable it practically to enforce the execution of the law in each individual case. With such a supervision, and ample powers in the assessor to pursue his investigations, the duty of applying the apparatus of the law for coercion would become rare, by reason of the voluntary action of the people to meet its requisitions. We are not without

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precedent and experience in some of our sister states, as to the operation of many of the needful provisions to carry into successful operation a just and equal system of revenue laws, that should inspire confidence in their practical applicability in our own state.

But it is not alone to insure an efficient assessment, and the collection of the tax, that such a tribunal is required. The exercise of power, wherever placed, should be guarded on all hands. Those clothed with a brief authority by the popular voice, may have friends to serve and enemies to punish, or envy and prejudice may prompt to injustice and oppression. The aggrieved, whether individuals or townships, should have the opportunity of redress, by an appeal to a board of revision, and from that board even to the courts of justice, under appropriate restrictions. The possibility of injustice occurring from the indulgence of vindictive passion, from absence, accident or other cause, should never exist without the means of ample redress; and even he who has had, by his refusal or default, an undue penalty placed upon him, to force an explanation, should have his equal right to relief, when he submits to the required explanation. The law should seek only to vindicate its own power, not to punish, and should operate alike justly upon all in its final judgment. It is thus only it can commend itself to the sense of justice and the affections and support of the people.

There is also a liability to over-valuation, from obvious motives, that should be guarded against to ensure to the law a just and equal bearing. Some proof was given of a practice in some parts of the Commonwealth, of the assessors returning a friend, with whom they had an understanding to divide the commissions, for the office of collector, with another unable to give the required security, thus securing the appointment by the county commissioners of the favored nominee. Such an assessor has an interest to increase the amount of the valuations, to enhance the commissions he is to share. It has also been known, that such assessors sometimes unduly value out-lots, from the combined feeling natural to the poorer man against the rich, and disposition to force vacant property under improvement. But it is in respect to large bodies of unseated lands that such feelings, and a desire to have the profitable jobs of making and repairing roads, most predominate to induce an excessive valuation of such lands owned by absentees, in relief of the improved portions of the county. As the witnesses significantly say, the owners of the improved lands have the business of laying the tax in their own hands; they have the profits of making the roads, and the moneys paid for schooling; and they lay the tax to the last degree the absentees will bear, and as lightly as possible upon themselves. The proofs from all the counties where there is unseated land, are in unison and uncontradicted on this subject, and it is by this local injustice that an enhancement of their taxation, by this board, is averted. A further source of inequality was proved to exist from the practice, in several counties, of returning to the assessors deficient quantities of land, or deficient as to that class of land liable to higher valuation. These irregularities should be corrected by a county board, with the power to resort to admeasurement when deception is suspected.

Nor should the State Revenue Board itself sit with an unlimited power as to the increase of the valuations of the counties. There is probably little danger of an increase by it, at any time, beyond the actual value, for it cannot be doubted that the whole rate, estimated by the standard of a cash public sale, is considerably undervalued. But the apprehension of extreme measures proceeding from its action, has produced an alarm that on both occasions of its meeting has nearly caused its repeal. To allay such apprehensions and alarm there should be a limit prescribed, beyond which the increase made by it should not exceed the aggregate of the returns of the counties. With this restriction it might usefully be trusted with more ample powers to procure testimony. At present it could procure none if the people should decline to testify, and there is evidently a growing reluctance to come forward for that purpose. Days have been lost during the present session for want of witnesses, and the board sat powerless to produce them, although the capital was thronged with intelligent citizens from all parts of the State, while in the county in which we sat, and several adjoining, not one witness had been produced until the date of reading this report. The extreme apprehension of excessive action by the board is really very groundless; the real danger is the reverse, proceeding from the opposition of each member to any increase of his own district influencing too much the whole body; and should

there happen to be, from imperfect information, a degree of injustice done, in a community where improvement and wealth are in the main constantly progressive, the error is soon out-grown and compensated by the actual increase in value of taxable property.

It would be important, if the Revenue Board is to be continued, that there should be some preparations for furnishing it with materials for its examination by its members at their assembling. On this occasion very few of the county returns were made, which it was their principal duty to revise. Instructions from the Auditor General to the county commissioners should precede this coming together, to make their returns, furnish their duplicates, and probably, the orphans' court sales, together with the assessments of the same property. It has also been suggested by witnesses, that the Revenue Commissioners should be authorized to take depositions before coming together; but this would give rise to a prepared defence of the county to an extent to promise little valuable aid. The most valuable testimony has been derived from witnesses who have appeared before the board, or who have answered the interrogatories distributed in all parts of the State, and to such the board gratefully acknowledges its obligation. With the aid of the duplicates many witnesses, having an acquaintance with the value of lands, but not with the assessments, might be advantageously examined, who cannot now be produced with any useful result of comparison. Commissioners should be appointed by the courts in the previous autumn. It should also be the duty of the State Treasurer or Auditor General, by circulars, to apprise the Revenue Commissioners of the day of the meeting fixed by law, the want of which on this occasion impeded their assembling. In any legislation that may take place the consideration of the subject of a just and equitable representation in the board will, of course, not be forgotten.

A greater degree of economy, it is thought, may be induced in the collection of the revenue, by legislation without the influence that interested parties so frequently bring to bear in the legislative halls. There is now allowed to the counties for prompt payment, which the latter frequently extend to the taxpayers, a reduction of five per cent. on the State tax, which he could as readily and willingly pay to the county treasurer, were the latter furnished with the duplicates for the prescribed time for that purpose. Yet such payments are now made to the collectors, and a further deduction of five per cent. is made by them, besides the one per cent. allowed the county treasurer. Thus, eleven per cent. are allowed on the receipt of moneys for the State, voluntarily paid, which could as readily be paid to the treasurer, and this on large sums which are paid back to the counties for schooling, after having undergone these several depletions.

Members of the board and witnesses examined before it, in a laudable desire to relieve the Commonwealth, have made various suggestions as to new objects of taxation. The board has not conceived it to be within its prescribed duties to act upon any subject but that of the equalization of the taxes, and to report upon the defective operation of the system of which it is itself a part. Yet it may not be considered foreign to its duties to notice an item of delinquency, in paying up the dues to the Commonwealth, to which its attention has been called. Large balances of purchase money of lands are said to be due to the State, some secured by mortgage, but more by no other means than the withholding of the patent, which seems to be of little importance to induce payment, since the warrant and survey returned constitute a good title without it. The Surveyor General says, in reply to an inquiry from the board, that previous to 1830, "it was a common custom to take out a warrant for five acres of land and return a survey for one hundred, consequently ninety-five acres remained, and where the land has not been patented, yet remain unpaid for." Such lands may be despoiled of successive growths of timber, and thus depreciated, paid for at reduced rates under the compromise act, or never paid for at all, and the State defrauded of her rights. This is a flagrant injustice, not only towards all those who have paid for their lands in full, but also towards all the tax payers of the State, who by reason of such dereliction are compelled to bear an undue share of taxation. If such lands be not paid for within a limited time, to be fully announced, remedial process should be devised and enforced.

As yet more closely connected with the direct line of duty prescribed to this board, it is proper to notice, what no doubt was supposed to be embraced in the law as an object of taxation, but which from not being expressly named, as certainly escapes the

notice of the assessor. There are many instances of coal, and other mineral rights, held separately from the ownership of the land, by reservation or grant, and are likely to be multiplied hereafter, exceeding in value the land, which, compared with the mineral, is often a barren and useless shell. To prevent the escape of such rights they should be named as distinct subjects of taxation.

The preceding review of the defective operation of our system of assessing and collecting taxes, has had in view the purpose of awakening the legislative and public attention to a condition of things deemed perilous to the welfare of our State. An apathy has come over the minds of men once patriotically sensitive to the credit of the Commonwealth; nay, it is worse, for they shrink from and evade the demands of the law, because they believe the law to be partial and partially executed. If this feeling be allowed to become fixed and habitual, and insidiously advance upon the community, it will be fatal to the welfare, morals, and credit of our Commonwealth. Upon this subject the interests of the people and the State are one and indivisible. As the public faith and honor shall be cherished and maintained, so may we expect the obligations of private contract to be observed, and so will the arm of the State be nerved to sustain and enforce them. As we desire to fortify her power for the protection of persons, property, and all that we value in civilized life, so must we be willing to aid her just efforts to retrieve her credit and extinguish the debt that oppresses her. Her debt is our debt; it is our first debt; the first lien that binds our estates and that will pass as an incumbrance on them to our heirs. With the same undespaiting spirit and fortitude that we grapple with private difficulties, should we, one and all, heartily engage in the work of the redemption of our inheritances from the common incumbrance, and if put equally to the task it cannot be doubted that it will be patriotically accomplished. With less interest to impel them, men freely peril life itself in the service of their country, and win applause and a glorious name. Is the effort to sustain the financial credit and honor of the State, without which she is powerless and all other service unavailing, a purpose so ignoble as to win no popular response, nor produce the voluntary tribute of the small fraction of property that her necessities demand? Let her claims be presented in an equal and practicable form and the popular impulse must be patriotic; all but a few will yield a willing acquiescence, and those few who are insensible to the blessings of a free government, must be made to yield an equivalent for the protection they enjoy.

This task fairly begun under laws of more equitable and gentle pressure, an increase of revenue, will accrue; capital no longer seek shelter under more genial laws; nor valuable citizens desert the soil of their birth or adoption. Private and public credit and prosperity would strike deeper root and flourish among us. Renewed vigor and hope would be infused into the people, and before the might of their energies the public debt would rapidly disappear.

In all natural advantages, and in many that are artificial, Pennsylvania possesses resources that should inspire confidence in her ability to recover and maintain her credit and honor, and under wise and judicious laws she cannot fail to triumph over her difficulties and advance in a career of boundless prosperity. Happily placed in that temperate latitude most favorable to animal life, and to the highest exertion of the human energies, equally remote from the burning fields of the south, and the icy snows that prolong the winters of the north, her agriculture thrives under the skilful hand of the farmer. Her mechanic arts and manufactures, her trade and commerce are equally favored, and supplied and employed by the richest stores of mineral wealth that fills her valleys and her mountains. Subserving these primary resources of wealth and power, lie the public works and the canals and railways of private corporations along and across the length and breadth of this great Commonwealth, and either already made or in early prospect of construction—many other canals and railways converge from the west and far west, into and through Pennsylvania, as by nature the most favorable channel to the seaboard of the Atlantic. Let us contemplate these magnificent resources as coldly and dispassionately as we may, hope will be enkindled, and confidence inspired in the prospect of a glorious future of strength and power, before which the debt that lowers over us will disappear as clouds before the morning sun.

The payment of the public debt under a prudent and cautious administration of the finances, has already been commenced. To begin evinces the power to conquer it.

With an increase of the revenue by means of better provisions for its collection, and by reason of the yearly increasing wealth of the State, the surplus over the payment of interest will reduce the principal with an accelerated progression. With a given amount of revenue, and the annual interest of that amount saved by the debt paid by it applied in the purchase of the public loans, the power of reduction proceeds with the pace of the compounding of money constantly replaced at interest. But when the resource thus applied is itself constantly increasing, the extinction of the debt is proportionably accelerated. The purchase of the loans thus made should be for the purpose of *extinction and cancellation*; the velocity of reduction will be precisely the same as if held by commissioners, and the complication of the accounts in keeping up the machinery of a sinking fund be avoided, and the purchased stock put beyond the temptation of a re-issue on pressing emergencies.

The views submitted may be considered over sanguine. Let it, however, be recollected that the returns of this board have exhibited an increase of the valuation of taxable property within the past three years, amounting to more than the entire principal of the State debt. From the public works there is a corresponding annual increase of the revenue. Notwithstanding the evils herein freely portrayed, our condition is yet youthful and of progressive development. Nothing has receded, no sign of decay is perceptible, nothing stationary. No extent of land lies fallow, it has felt no exhaustion or power impaired, but with enlightened skill the older counties are quickened in production by increase of fertility, while the hardy pioneers of the new, with incessant energy, invade the forest and reclaim the virgin soil to light and cultivation. Agriculture is advancing in area and productive power; new mines are opened, manufactories erected, and the facilities of transportation extended. All these teeming sources of production, power and wealth, must yield assured means of easy and rapid extinguishment of our debt. Yet it is never to be forgotten that a perpetual watchfulness is the price paid for liberty, so it must be the means of working our redemption; and no waste be suffered in the course of collection, and no improvident scheme or project of doubtful utility be tolerated to dissipate a revenue pledged to a sacred cause.

We now sir take leave of your Excellency and of each other, considering it among the pleasing events of our lives thus to have been convened from all parts of the State, to deliberate upon matters that most deeply concern her present and lasting welfare. Whatever the extent of benefit to flow from our labors, this truth has been manifest, that our counsels have been guided by an honest purpose, and a devoted attachment to our beloved Commonwealth. If, through your Excellency, we have spoken freely, and earnestly invoked the action of those clothed with the sovereign power, it has not been in the spirit of presumption or of dictation.

The law had assigned to us duties affording peculiar opportunities of gathering information from all parts of the State, upon the subjects to which we have invited attention. We have deemed them most vitally to affect the character of our citizens and the credit of the State. We know our motives to be pure and single in purpose; and sanctified by the devotion we bear for the weal of a common parent, we feel it no humiliation in her behalf to beseech and implore the interposition of the sovereign authority, to enact such laws as we have deemed to be alike demanded by the interest, the credit, and the honor of the people and the Commonwealth.

ELI K. PRICE,
JAMES S. CRAFT,
M. M'CASLIN,
J. KRAUSE,
OWEN JONES, } Committee.

By order of the board.

ARNOLD PLUMER,
*Treasurer of the State of Pennsylvania,
and President of the Board of Revenue Commissioners.*

REPORT OF THE BOARD

A DUPLICATE RECORD

Of the valuation of the several counties of the Commonwealth of Pennsylvania, as fixed by the Board of Revenue Commissioners, A. D. 1848, to be and remain as the valuation of the property in said counties until the next meeting of the Board, as is provided by the Act of Assembly of the twenty-ninth of April, A. D. 1844, creating said Board.

Names of Counties.	Amount of property subject to a tax of 3 mills on the dollar.	Amount of property subject to a tax of 2 per cent. on the dollar.	Amount of property subject to a tax of 1 per cent. on the dollar.	Aggregate amount.	Aggregate increase upon the valuation of the Revenue Board in 1845.	Aggregate increase upon the valuation of the Revenue Board in 1846.	Amount of tax on watches.
Adams, -	\$4,401,386	\$3,425	\$39,773	\$4,444,584	\$105,003	\$49,25	
Allegheny, -	22,155,856	30,950	529,562	22,716,368	8,046,932	644,00	
Armstrong, -	1,952,884	2,400	53,460	2,028,744	409,944	54,50	
Beaver, -	4,257,187	550	29,834	4,287,571	213,747	99,00	
Berks, -	21,612,728	10,630	148,070	21,771,428	28,700	1,896,612	155,00
Bedford, -	2,582,815	5,200	9,792	2,597,807	Bedford, Blair and Huntingdon, {	650,324	26,75
Bair, -	4,132,916	2,000	36,320	4,171,236		30,00	
Bucks, -	16,369,139	6,900	101,737	16,477,776	1,774,709	158,25	
Butler, -	2,447,656	4,140	15,175	2,466,971	105,762	27,75	
Bradford,	3,287,408	1,500	12,441	3,301,349	225,565	73,00	
Centre, -	4,988,726	2,100	77,470	5,068,296	88,083	94,00	
Clearfield, -	926,471		2,732	929,203	130,874	25,50	
Columbia, -	4,625,370	4,300	33,923	4,663,593	402,679	56,25	
Clinton, -	1,800,000	950	35,769	1,836,719	18,894	248,091	44,00
Chester, -	21,298,479	8,850	92,469	21,399,798	34,152	2,744,045	281,00
Crawford, -	2,872,906	850	16,850	2,890,606		9,218	22,50
Clarion, -	1,620,000	500	12,000	1,632,500		337,704	10,00
Cumberland, -	9,698,994	2,550	80,471	9,782,015	689,341	159,45	
Cambria, -	863,678	800	10,630	875,108		104,521	6,75
Carbon, -	1,585,356	2,150	30,221	1,617,727		326,408	48,25
Dauphin, -	8,302,058	17,950	92,633	8,412,641		215,150	136,50
Delaware, -	7,772,892	3,725	73,110	7,849,727		585,006	195,00
Erie, -	3,390,320	1,350	35,550	3,427,220		632	52,50
Elk, -	344,560	754	260	345,574	1,024	5	5,00
Fayette,	4,806,122	2,400	39,958	4,848,480	34,345	544,446	96,00

OF REVENUE COMMISSIONERS.

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Franklin,	-	11,268,735	3,300	118,104	11,390,139	210,595	116 00
Greene,	-	2,392,567	900	8,720	2,402,187	7 00	
Huntingdon,	-	5,282,608	1,040	60,245	5,343,893	100 00	
Juniata,	-	2,611,442	500	107,642	2,719,584	220,654	20 00
Indiana,	-	2,518,344	1,315	15,033	2,534,692	392,516	42 50
Jefferson,	-	928,451	450	6,057	934,958	113,660	10 00
Lancaster,	-	28,378,924	25,850	207,989	28,612,763	1,050,790	420 00
Lehigh,	-	8,291,879	2,574	72,657	8,367,110	459,869	107 50
Luzerne,	-	4,927,740	3,700	10,735	4,942,175	117,094	105 00
Lycoming,	-	3,493,150	1,050	28,858	3,523,058	85,330	94 50
Lebanon,	-	7,472,656	7,472	36,632	7,509,288	271,725	13 50
Mercer,	-	4,146,982	2,800	30,972	4,180,754	200,000	447,012
Mifflin,	-	4,055,064	1,050	65,300	4,121,414	187,110	293,960
Montgomery,	-	15,755,430	5,160	101,303	15,861,893	1,563,793	237 25
M ^I Kean,	-	524,884	1,547,176	1,000	15,188	524,884	22,241
Montroe,	-	12,450,373	6,580	139,674	12,596,627	1,563,364	141,055
Northampton,	-	4,127,417	4,220	67,172	4,198,809	590,909	10 75
Northumberland,	-	125,603,692	155,693	1,923,844	127,683,229	163,204	81 00
Philadelphia,	-	645,154	25,249	25,249	670,403	1,000,000	26 75
Pike,	-	610,746	460	641,206	3,053,417	10,697,532	126 00
Potter,	-	3,035,522	950	16,945	8,334,327	58,585	4 75
Perry,	-	8,291,327	3,000	40,000	8,334,327	157,659	5 00
Schuylkill,	-	2,625,906	3,700	8,201	2,637,807	2,390,649	29 75
Somerset,	-	264,401	415	415	264,816	267,729	40 00
Sullivan,	-	2,416,031	5,065	5,065	2,421,096	280,001	21 50
Susquehanna,	-	1,546,047	1,000	12,015	1,559,062	164,613	1 50
Tioga,	-	5,623,252	1,890	111,400	5,736,542	501,489	36 75
Union,	-	1,261,062	1,500	12,659	1,275,221	165,818	40 00
Venango,	-	8,119,907	1,050	48,731	8,169,688	997,596	77 00
Washington,	-	6,088,370	1,100	41,814	6,131,284	819,216	35 00
Westmoreland,	-	1,239,417	10,000	10,000	1,249,417	82,627	107 00
Wayne,	-	1,135,861	400	16,207	1,152,468	236,729	84 50
Warren,	-	873,497	1,075	9,208	883,780	5,998	50 00
Wyoming,	-	9,953,308	2,000	41,754	9,997,062	686,962	116 50

CERTIFICATE OF THE BOARD.

The subscribers, Revenue Commissioners, appointed pursuant to an act of Assembly of the Commonwealth of Pennsylvania, entitled "An Act to reduce the State debt, and to incorporate the Pennsylvania canal and railroad company," passed the 29th day of April, A. D. 1844, duly organized according to the provisions of said act, hereby certify, that we have ascertained and determined the fair and just value of the property of the city of Philadelphia, and the several counties of this Commonwealth, made taxable by law, to be as is particularly set forth in the foregoing tabular statement, the same to be and remain as the valuation of the said property, till the next meeting of the Board of said Revenue Commissioners, as in the said act provided for. Witness our hands, this 17th March, 1848.

A. PLUMER, *President.*

1. ELI K. PRICE,	11. VIRGIL GRENNELL,
2. HENRY HALDEMAN,	13. REUBEN WILBER,
3. JEFF. K. HECKMAN,	14. M. M'CASLIN,
5. JAMES S. CRAFT,	15. J. YOUNG,
6. JAMES C. MARSHALL,	16. JOHN CESSNA,
7. OWEN JONES,	17. J. POLLOCK,
8. GEO. SMITH,	18. HIRAM PAYNE,
9. DAVID SHAVER,	19. ROBERT J. FISHER,
10. FINDLEY PATTERSON,	20. GEO. SCHNABEL,

Witnesses present:

JNO. M. FORSTER, *Clerk.*
JAMES GALLOWAY, *Assistant Clerk.*

MARCH 13, 1848.

"Resolved, That the report of the committee on final report be approved and signed by the president of the board."

"Resolved, That two thousand five hundred copies of said report be printed for the use of the members of this board."

MARCH 14, 1848.

The board, on motion, resumed the consideration of the pending resolutions, offered by Mr. Marshall, on yesterday, relative to the report of the committee on final report; and the question being, will the board agree to the first resolution? the yeas and nays were called for by Mr. Craft and Mr. Heckman, and are as follow, viz:

YEAS—Messrs. Cessna, Craft, Fatzinger, Fisher, Grennell, Haldeman, Heckman, Jones, Krause, Marshall, M'Caslin, Patterson, Payne, Pollock, Price, Schnabel, Shaver, Smith, Wilber and Young—20.

NAYS—None.

Mr. Young offered the following resolution:

WHEREAS, This board, being now about to adjourn, and the members thereof never expecting to convene again, it cannot be improper that they should express their opinion of the advantages and necessity of such a body, as a part of the revenue system of Pennsylvania; be it therefore

Resolved, That from all the information and experience derived from the proceedings of the session now about to close, it is the deliberately formed opinion of the revenue commissioners, that an accountability to such a central board of revision is indispensable, to maintain the valuation of the taxable property of the respective counties, at or near the standard prescribed by law, and to afford the requisite certainty for the basis of fiscal calculations, for the maintenance of the credit of the Commonwealth.

Which was twice read and agreed to.

I certify that the foregoing report and resolutions are truly copied from the journal of the Board of Revenue Commissioners, convened at Harrisburg, in the year 1848.

JNO. M. FORSTER, *Secretary.*

MARCH 15, 1848.